



**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Appellants: Altweis et al.

Assignee: ZiLOG, Inc.

Title: "Method and System for Electronic Data Sales and Distribution  
Over Wide Area Computer Networks"

Appl. No.: 09/654,858

Filing Date: September 5, 2000

Examiner: Firmin Backer

Art Unit: 3621

Docket No.: ZIL-314

Mail Stop Appeal Brief - Patents  
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August 4, 2008

**CONFORMED APPEAL BRIEF**

On November 29, 2007, the Board of Patent Appeals and Interferences (the "Board") remanded to the Examiner an appeal first noticed on June 24, 2005. Appellants are hereby initiating a new appeal based on the original appeal. This Appeal Brief is filed pursuant to 37 CFR § 41.37 in support of the new appeal noticed on July 5, 2008.

An amendment under MPEP §1206 and 37 CFR §41.33(b)(1) accompanies this Appeal Brief and cancels claim 26.

**I. REAL PARTY IN INTEREST**

The real party in interest is the assignee, ZiLOG, Inc., as named in the caption above.

**II. RELATED APPEALS AND INTERFERENCES**

Based on information and belief, there are no appeals or interferences other than the original appeal first noticed on June 24, 2005, that could directly affect or be directly affected by or have a bearing on the decision by the Board of Patent

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Appeals and Interferences (the "Board") in the pending appeal.

### III. STATUS OF CLAIMS

The application at issue, filed on September 5, 2000, included 17 claims. In various amendments, claims 18-26 were added, and claims 6-9 were cancelled. Claims 1-5 and 10-26 were subject to the original appeal. The Board remanded the original appeal and instructed the Examiner to state the grounds of rejection of claim 26. An amendment under MPEP §1206 and 37 CFR §41.33(b)(1) accompanies this Appeal Brief and cancels claim 26. Claims 1-5 and 10-25 are subject to this Appeal. The latest version of the claims is contained in the Claims Appendix to the Appeal Brief.

### IV. STATUS OF AMENDMENTS

Accompanying this Appeal Brief is an amendment under MPEP §1206 and 37 CFR §41.33(b)(1) that cancels claim 26. No other amendments have been filed subsequent to the final rejection in an Office action dated March 25, 2005.

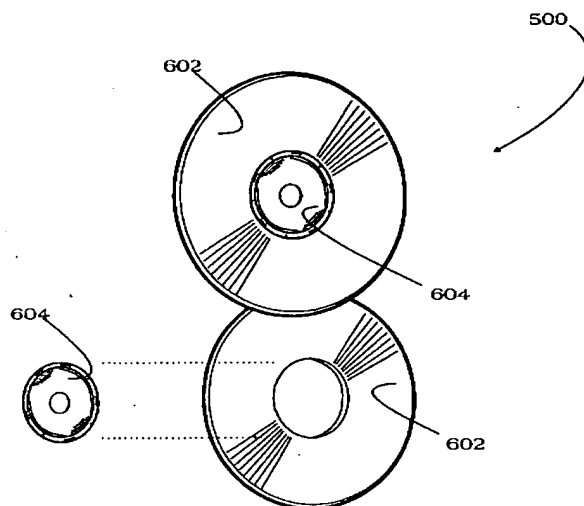
### V. SUMMARY OF CLAIMED SUBJECT MATTER

The following summary pursuant to 37 CFR §41.37(c)(1)(v) is a concise explanation of the claims and is to be read in light of the disclosure. This summary does not limit the claims. (See MPEP §1206).

The present invention is generally directed to a modularized software application in the field of e-commerce. The modularized software is generally depicted in figures 6A and 6B (below). The software application 500 is represented in figures 6A and 6B as including two modules, namely a first module 602 having a program stored thereon and a second module 604 having a license function stored thereon. The two modules facilitate a transaction with the software application itself in e-commerce. The aforementioned is discussed in the specification on page 8, lines 9-18.

FIGURE 6A

FIGURE 6B



The system for the transaction will now be described. The instant system effects a transaction between a customer and an e-commerce supplier. As depicted in figure 7 (below), the present system effects the purchase of the software by the former from the latter. The customer is represented by terminal 20. Payment 400 is made by the customer to the supplier represented by server

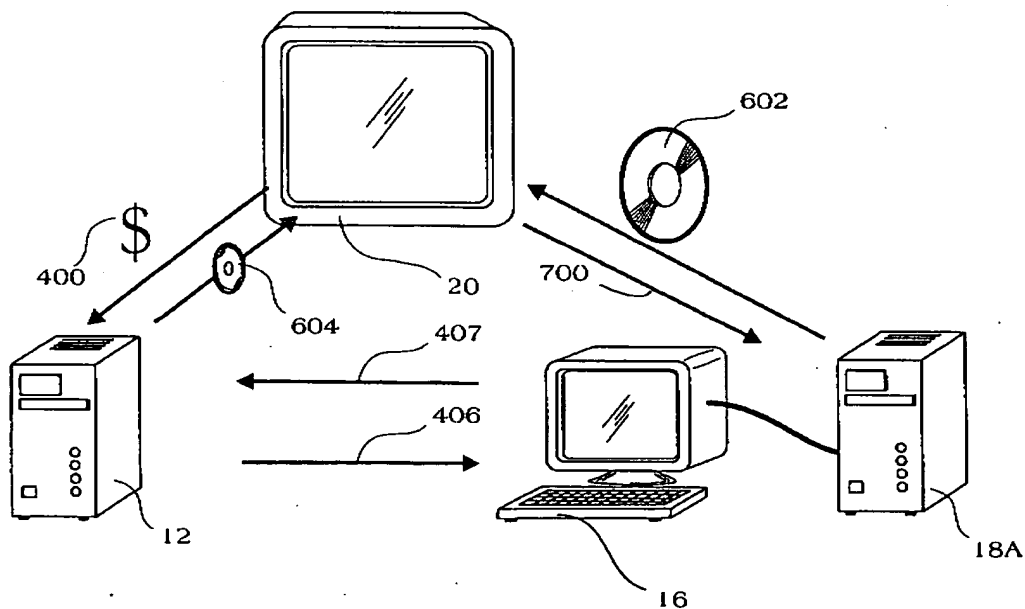


FIGURE 7

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12. In exchange for the payment 400, the customer receives the licensing module 604. An automated order is further placed (700) with the supplier's LAN server 18A, wherein the LAN server delivers the program module 602 to the customer terminal 20. Alternatively, the licensing module 604 may be downloaded, then paid for, and then executed by the customer 20, thereby effecting the automatic ordering of the software module 602. Yet another alternative may be implementation of a "try-before-you-buy" scenario whereby the software is available to the customer for a limited trial basis. A benefit of this arrangement is that the e-commerce site 12 need only maintain a relatively small licensing module, which allows for a quicker on-line transaction with the customer. In addition, the license module 604 is formatted for the supplier and need not change for future updates of program 602. A further advantage is the adaptability of the license module 602 with other applications supplied by the supplier 12. The aforementioned is discussed on page 8, line 19 to page 9, line 12. An overview of the system for effecting the aforementioned will now be described.

Figure 9 (below) depicts e-commerce supplier servers 12A-12C that maintain the licensing modules at their distribution points 15A-15C connected to a network conduit 10. The supplier's LAN server 18A is also connected to the network and set up to be the distribution point for the programming module 19/602 and may offer a connection point to the network for supplier terminal 16 (which may further have its own network (10) connection). The customers are depicted as personal computers 20 having input, display, processing, storage and communication elements or devices. The aforementioned is discussed on page 10, lines 5-13. An analysis of the independent claims based on the aforementioned discussion follows.

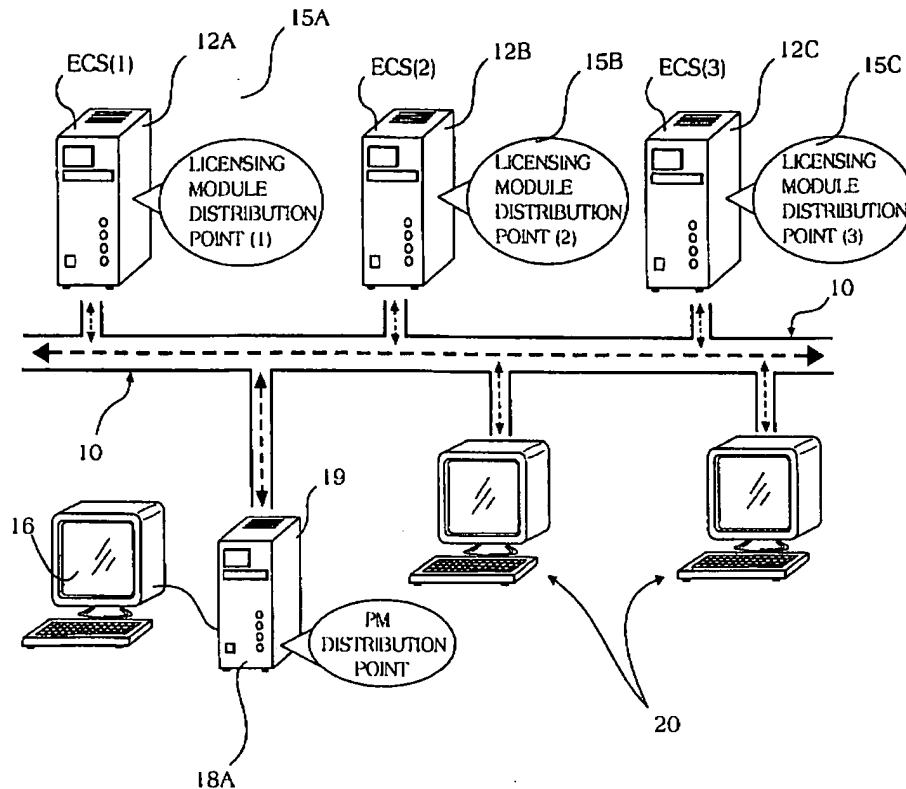


FIGURE 9

A. Independent claim 1

Independent claim 1 is directed to the aforementioned system for selling software over a network comprising the network conduit 10; at least one e-commerce server computer 12 in communication with the network conduit 10; at least one customer terminal 20 also in communication with the network conduit 10 and including the input, display, processing, storage and communication devices. Figure 7 illustrates a customer terminal computer 20, an e-commerce server computer 12 and a program download site 18A. Figure 7 also shows a licensing module 604 and a program module 602. Licensing module 604 consists of executable software to be executed upon the customer terminal computer 20. These elements of claim 1 are described with regard to figure 7 beginning at page 8, line 19, of the Specification.

The system comprises an e-commerce site (ECS1-3) also connected to the network conduit 10 and arranged to present and/or otherwise facilitate the

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transaction with the customer 20. E-commerce sites ECS1-3 are shown in figure 9 and are described beginning on page 10, line 5, of the Specification. Figure 9 also shows a program download site 18A arranged to provide the software program 602 for downloading.

**B. Independent claim 10**

Independent claim 10 is directed to the a system for software distribution comprising: the network conduit 10; at least one e-commerce server computer 12 in communication with the network conduit 10; at least one customer terminal 20 also in communication with the network conduit 10 and including input, display, processing, storage and communication devices. The system comprises an e-commerce site (ECS1-3) for distributing licensing modules 604, and a program download site 18A for distributing program modules 602 that comprise computer programs for execution on computers. Figure 7 illustrates a customer terminal 20, an e-commerce server computer 12, a program module 602, a licensing module 604, and a program download site 18A. These elements of claim 10 are described with regard to figure 7 beginning at page 8, line 19, of the Specification. Figure 9 shows e-commerce sites ECS1-3, which are described beginning on page 10, line 5, of the Specification.

At least one licensing module 604 cooperates with a program module 602 to function as a software application. The program module 602 is distributed in response to the prior execution of the licensing module 604 on the customer computer 20. (See Specification, page 9, lines 1-4.)

**C. Independent claim 18**

Independent claim 18 is directed to a method for distributing the software, comprising a step of configuring the software project as a program module 602 and a licensing module 604, both being required to run the distributed software.

Configuring the software project as a program module 602 and a licensing module 604 is described at page 8, lines 15-17. The licensing module 604 is

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customized to a particular supplier, and the program module 602 consists of a non-customized software portion, as described at page 9, lines 5-11, of the Specification. The program module further comprises executable software code.

In other steps, the licensing module 604 is stored at a first software distribution point (12A-12C); and the program module 602 is stored at another location distribution point (18A). Figure 7 illustrates the licensing module 604 being stored at a first distribution point 12 and the program module 602 being stored at another location.

## VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The following are grounds of rejection to be reviewed on appeal:

1) Claims 10-12 and 14-25 stand rejected under 35 USC §102(e) as being anticipated by Biddle *et al.* (US Patent Application Publication No.: 2002/0107809 A1).

2) Claims 1-5 stand rejected under 35 USC §103(a) as being unpatentable over Biddle *et al.* in view of Hayes *et al.* (US Patent Application Publication No. 2001/0011341).

## VII. ARGUMENT

### A. Claims 10-12 and 15-25 (1st ground of rejection)

In a final Office Action dated March 25, 2005 (the "Final Office Action"), the Examiner rejected claims 10-25 under 35 USC §102(e) as being anticipated by Biddle *et al.* Claims 10 and 18 are independent. Claims 13-14 were canceled before the Final Office Action. The Examiner's rejection is repeated in the Office Action dated June 24, 2008 (the "6/24 Office Action").

#### i. Independent claim 10.

The Examiner rejected independent claim 10 with the following argument:

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"As per claim 10, Biddle et al. teach an improved system for software distribution (*improved distribution system, 20*) over wide area computer networks (*internet, 35*), the networks comprising a network conduit (*data links 45, 50 and 55*), at least one e-commerce server computer (*distributor 25, vendor 40*) in communication (*interconnected*) with the network conduit, at least one customer terminal computer (*user computer, 30*) in communication with the network conduit, and at least one supplier server computer (*distributor 25, vendor 40*) in communication (*interconnected*) with the network conduit, each the computer comprising at least one programmable computer comprising input means, display means, processing means, storage means and means for communicating with the network conduit (see *abstract figs 1, 2, page 2, paragraphs 0013, 0015,, and 0016, page 4 paragraph 0049, 0050*), the system comprising e-commerce site means (*licensing server, 82*) for distributing licensing modules (*licensing*) to each the customer terminal computer via the network conduit; and program download site means (*distributor 25, vendor 40*) for distributing program modules (*software*) to each the customer terminal computer via the network conduit (see *fig 1, page 5, paragraph 0053, 0054, 055*)" (Final Office Action, pp. 2-3, paragraph 3; 6/24 Office Action, pp. 4-5, paragraph 13).

ii. Independent claim 18.

The Examiner rejected independent claim 18 with the following argument:

"As per claims 18, Biddle et al teach a method of distribution (distribution system) a software product to user (*user, 30*) over a computer network (see *fig. 1*) comprising configuring the software product as a program module and a licensing module wherein both the program and the licensing module are required in order to operate the software product (see *paragraphs 0055*), the licensing software comprising a portion of the software product that is customized for a distributor or a group of distributors and the program module comprising a portion of the software product that is not customized for a specific distributors, configuring the licensing module to the requirement of a distributor, storing the configured licensing module at the distributor's software distribution point so that it may be downloaded by a user and storing the program module at a location other than the distributor's software distribution point (see *paragraphs 0055, 0058, 0059, 0062, 0065, 0066, 0062*)" (Final Office Action, p. 4, paragraph 11; 6/24 Office Action, pp. 6-7, paragraph 21).



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B. Claims 1-5 (2nd ground of rejection)

The Examiner rejected claims 1-5 under 35 USC §103(a) as being unpatentable over Biddle *et al.* in view of Hayes *et al.* (U.S. PG Pub. No. 2001/0011341).

i. Independent claim 1.

The Examiner rejected independent claim 1 with the following argument:

“As per claim 1, Biddle et al. teach an improved system (*improved distribution system, 20*) for electronic data (*software*) sales and distribution (*distribution*) over wide area computer networks (*internet, 35*) (see *abstract figs 1, 2, page 2, paragraphs 0013, 0015, and 0016, page 4 paragraph 0049*), the networks comprising a network conduit (*data links 45, 50 and 55*), at least one e-commerce server computer (*distributor 25, vendor 40*) in communication (*interconnected*) with the network conduit (see *fig 1, page 4, paragraph 0049*) and at least one customer terminal computer (*user computer, 30*) in communication (*interconnected*) with the network conduit, each the computer comprising input means, display means, processing means, storage means and means for communicating with the network conduit (see *page 4 paragraph 0050*), the system comprising e-commerce site means (*distributor 25, vendor 40*) for presenting e-commerce functions (*online transactions enabling purchase*) to each the customer in communication with the e-commerce server computer via the network conduit (see *fig 1, page 5, paragraph 0053, 0054*) (see *fig 17, page 5 paragraph 0054, 0055, page 6 paragraph 0056, 0057, 0058*) and program download site means (*distributor 25, vendor, 40*) for providing a program module (*software application*) for downloading (*downloading*) to each the customer terminal computer responsive to a user request (see *fig 1, page 5, paragraph 04 (bottom)*). Biddle et al. fail to teach a licensing module means for giving each the customer terminal computer permission to download a program module to the customer terminal computer the licensing module means comprising an executable software application being executed on each the customer terminal computer engaged in the improved system. However, Hayes et al. teach licensing module means for giving each the customer terminal computer permission to download a program module to the customer terminal computer the licensing module means comprising an executable software application being executed on each the customer terminal computer engaged in the improved

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system (see paragraph 0013). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the inventive concept of Biddle to include Hayes et al's inventive concept of a licensing module means for giving each the customer terminal computer permission to download a program module to the customer terminal computer the licensing module means comprising an executable software application being executed on each the customer terminal computer engaged in the improved system because this would have ensured greater security of the system" (Final Office Action, pp. 6-7, paragraph 17 (underlined added); 6/24 Office Action, p. 8, paragraph 27 up until underlining).

Concerning what Biddle fails to teach, the 6/24 Office Action substitutes the following statement:

"28. Biddle fails to teach a licensing module means for giving each the customer terminal computer permission to download a program module to the customer terminal computer the licensing module means comprising an executable software application being executed on each the customer terminal computer engaged in the improved system." (6/24 Office Action, p. 8, paragraph 28) (emphasis added).

### C. Appellant's Response

#### i. Independent claim 10 (1st ground of rejection).

The rejection of claim 10 should be overruled because Biddle does not disclose all of the limitations of claim 10. Claim 10 recites, "said distribution of one said program module is responsive to the prior execution of one said licensing module on one said customer terminal computer" (emphasis added). Biddle does not disclose distributing a program module in response to the prior execution of a licensing module on a customer computer. The Examiner has not established a *prima facie* case of anticipation because the Examiner has not stated where Biddle discloses distributing a program module in response to the prior execution of a licensing module. In fact, the Examiner admits that Biddle discloses distributing an application before executing a license.

The Final Office Action identifies "licensing server 82" as distributing

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license modules ("licensing") and identifies "software" as program modules of claim 10 (Office Action, page 3, lines 3-6). The "licensing" referred to by the Examiner, however, is not a licensing module as recited by claim 10.

In Biddle, a user first downloads a software application and then is prompted to obtain a license. Biddle states, "A user may . . . download a desired software application. The first time the user runs the software application after installation, the user is prompted to provide registration information to obtain a license" (Biddle, paragraph [0017], lines 29-33). Biddle also states, "The distributor 25 then adds the software application to the electronic store (step 122) to allow Users 30 to download the software application to a user computer (step 126). After downloading and installing the application, user 30 has the option of obtaining a license for the application . . ." (Biddle, paragraph [0054], lines 21-29) (emphasis added). In Biddle the software is first downloaded, and then the user obtains a license, whereas claim 10 recites that the distribution of one program module is responsive to the prior execution of a licensing module. Because the downloading of the identified elements of Biddle is in the opposite order to that recited in claim 10, the rejection should be overruled.

Furthermore, the basis for the rejection of claim 10 in the Final Office Action appears to be internally inconsistent. Claim 10 recites, "said distribution of one said program module is responsive to the prior execution of one said licensing module on one said customer terminal computer." Although Biddle discloses first downloading software and then obtaining a license, the Final Office Action must characterize Biddle as downloading software in response to obtaining a license in order to support a valid rejection based on Biddle. In arguing that the order of downloading and obtaining a license is the same in claim 10 as in Biddle, however, the Examiner ends his argument with the admission, "It may appear that in Biddle disclosure that the licensing module is downloaded after the application has been downloaded in the user computer. However, also disclose that the programming module is responsive prior to the execution of the licensing module which indicate that the licensing module is

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executed after a response from the program" (Final Office Action, page 9, lines 18-22) (emphasis added). This argument is internally inconsistent because it admits that the licensing module is executed after the program module is distributed.

In the Examiner's Answer dated April 19, 2007 ("Examiner's Answer"), in the original appeal, the Examiner presents a "map chart" of the "broadest claim 10". On page 6 of the Examiner's Answer, the Examiner admits that Biddle discloses distribution of an application before a user obtains a license. The Examiner characterizes Biddle as follows:

"After downloading and installing the application, user 30 has the option of obtaining a license for the application, for example, either in the form of a free trial period, by purchasing a subscription, or purchasing a long-term license (step 128)." (Examiner's Answer, p. 6, right column, lines 30-35) (emphasis added) (quoting from Biddle, paragraph 0054)

Appellants agree with the Examiner that Biddle discloses distribution of an application before a user obtains a license. Biddle also states, "A user may . . . download a desired software application. The first time the user runs the software application after installation, the user is prompted to provide registration information to obtain a license" (Biddle, paragraph 0017) (emphasis added).

The Examiner's Answer does not rebut the fact that the distribution of the application in Biddle occurs before the user obtains a license. The Examiner's explanation of the disclosure of Biddle (Examiner's Answer, p. 3, line 14 – p. 4, line 10) does not address the recited limitation of distributing a program module in response to the prior execution of a licensing module. The Examiner's explanation of Biddle's ability to configure a desktop "*so as presumably to be able to access an application on the server when, in fact, the user does not have system permission to access the application*" does not state that Biddle discloses the recited limitation of claim 10. (Examiner's Answer, p. 3, lines 15-17) (emphasis in original).

In Biddle, the software is first downloaded, and then the user obtains a

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license, whereas claim 10 recites that the distribution of a program module is responsive to the prior execution of a licensing module. Because the downloading of the application in Biddle is in the opposite order to that recited in claim 10, the rejection of claim 10 should be overruled.

In the Examiner's Answer, the Examiner for the first time states that functional language recited in claim 10 is optional and does not narrow the claim because it can be omitted for purposes of claim construction. (See Examiner's Answer, p. 5, lines 1-4). For example, the Examiner points to the claim language "an e-commerce site for" as denoting functional language that does not narrow the claim. While the Appellants do not agree that functional language necessarily renders a claim limitation "optional or conditional", the Appellants here state that the claim limitation discussed above that distinguishes claim 10 from Biddle is neither optional nor conditional.

Claims 11-12 and 15-17 depend directly or indirectly from claim 10 and are allowable for at least the same reasons for which claim 10 is allowable.

ii. Independent claim 18 (1st ground of rejection).

The rejection of claim 18 should be overruled because the Examiner has not shown that Biddle discloses either (a) a program module comprising executable software code, or (b) storing a licensing module and a program module at different locations. Claim 18 recites, "the program module consisting of a portion of the software product that is not customized for the distributor or group of distributors, the program module comprising executable software code, storing the configured licensing module at a first software distribution point so that it may be downloaded by a user, and storing the program module at a location other than the first software distribution point" (emphasis added). Thus, claim 18 distinguishes between the "program module" and software distribution points.

In a telephone interview with the Examiner on November 2, 2004, the Examiner stated that the "license" of paragraph 0054 of Biddle corresponds to

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the program module. Biddle does not disclose, however, that the "license" of paragraph 0054 comprises executable software code. The user in Biddle simply "obtains" a license. The passages of Biddle cited by the Examiner in the Office action dated March 25, 2005, (paragraphs 0055, 0058, 0059, 0062, 0065 and 0066) do not disclose the recited program module containing executable software code. (See Office Action, p. 5, lines 7-8) The Examiner has not established a *prima facie* case of anticipation because the Examiner has not specified where Biddle discloses either (a) a program module that comprises executable software code or (b) storing a licensing module and a program module at different locations.

Although Biddle states in cited paragraph 0055, "In an alternative exemplary embodiment, a vendor purchases a software licensing system (SLS)", Biddle does not disclose that the license and the software product are stored in different locations. Where a vendor purchases a licensing system, both the license and the software product are stored at the vendor's distribution point. In this embodiment, the vendor assumes the role of a distributor "by purchasing a licensing system from a distributor 25 and carrying out the function of distributing software products directly to the user rather than giving the software product back to the distributor for distribution" (Biddle, paragraph [0053]) (emphasis added). Thus, in this embodiment, the vendor has become his own distributor, both managing the licensing and storing the software. In this embodiment, the user obtains the software application and the license from the same location. Thus, this embodiment of Biddle does not disclose storing a program module at a location other than a software distribution point.

Because the Examiner has not shown that Biddle discloses either (a) a program module comprising executable software code, or (b) storing a licensing module and a program module at different locations, the rejection of claim 18 should be overruled.

Claims 19-25 depend directly or indirectly from claim 18 and are allowable for at least the same reasons for which claim 18 is allowable.

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iii. Independent claim 1 (2nd ground of rejection).

In the Final Office Action, the Examiner rejected claims 1-5 under 35 USC §103(a) as being unpatentable over Biddle in view of Hayes. Claim 1 is independent.

The rejection of claim 1 should be overruled because neither Biddle nor Hayes teaches the recited licensing module. Claim 1 recites, "a licensing module for giving each said customer terminal computer permission to download a program module to said customer terminal computer, said licensing module consisting of an executable software application being executed on each said customer terminal computer" (emphasis added).

The Examiner admits that Biddle fails to teach the recited licensing module. (Final Office Action, page 7, lines 2-3; 6/24 Office Action, p. 8, paragraph 28) The Examiner cites paragraph 0013 of Hayes as teaching a "licensing module means for giving each the customer terminal computer permission to download a program module" (Final Office Action, page 7, lines 7-8; 6/24 Office Action, p. 9, paragraph 29). Although paragraph 0013 of Hayes teaches a desktop object that is downloaded to a user station, the desktop object controls the interface between the user and the user's station. The desktop object does not include executable software that gives the user's station permission to download applications. Instead, Hayes uses a simple list to give permission to download applications on the list. Paragraph 0013 of Hayes states,

"[T]he server stores a plurality of user applications for downloading to user stations and further stores access permissions for the applications for each user. . . . A desktop object is then downloaded to the user station to control the interface between the user and the user's station. The server also downloads to the station a list of applications to which the user has access permission. The user station uses the list to build a folder containing only the applications from the list to which the user has access permission." (Hayes, paragraph 0013) (emphasis added).

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The server in Hayes downloads to the user's station a list of applications to which the user has access permission. Hayes does not teach that the list is executed on the customer computer. Thus, Hayes does not disclose a licensing module for giving permission to download software, in which the module is executed on the customer computer.

In the Examiner's Answer, the Examiner states that Hayes teaches a licensing management platform. (Examiner's Answer, p. 4, lines 10-22) But the Examiner does not state that Hayes teaches a licensing module consisting of software executing on a user's station that gives permission to download a program module.

Prior to *KSR International Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 82 USPQ2d 1385 (2007), a suggestion or motivation to combine references that teach individual claim elements was a requirement of a *prima facie* case of obviousness. Although after *KSR v. Teleflex* a §103 rejection need not identify a suggestion or motivation to combine references that teach individual limitations, a valid §103(a) rejection must nevertheless provide "an apparent reason to combine the known elements in the way a patent claims . . ." *Ibid.* (emphasis added). Here, the Examiner's cryptic reason for combining Biddle and Hayes is inadequate to support a finding of obviousness.

The Final Office Action states that it would have been obvious to modify the teachings of Biddle to include the teachings of Hayes "because this would have ensure [sic] greater security of the system" (Office Action, page 7, lines 15-16; 6/24 Office Action, p. 9, paragraph 30). The Examiner's proposed reason for combining is not at all apparent. The Final Office Action does not explain how combining the permission list of Hayes with Biddle would ensure greater "security" of the system of Biddle. Biddle concerns protection against tampering and software piracy after software has been delivered to the end-user's platform. (Biddle, paragraph 0010) Hayes does not concern "security" against tampering and piracy, but rather limits the access to particular software by workers in a



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corporate environment. At the time of the invention, it would not have been apparent how the permission list of Hayes could have ensured greater security than that already provided by the system of Biddle.


Because the Examiner has admitted that Biddle fails to teach the recited licensing module and because the Examiner has not shown that Hayes teaches the recited licensing module, the rejection of claim 1 should be overruled. In addition, the rejection of claim 1 should be overruled because the Examiner has not provided an apparent reason to combine the teachings of the Biddle and Hayes.

Claims 2-5 depend directly or indirectly from claim 1 and are allowable for at least the same reasons for which claim 1 is allowable.

#### VIII. CONCLUSION


The Examiner has failed to established a *prima facie* case of anticipation with respect to claims 10 and 18 or a *prima facie* case of obviousness with respect to claim 1. Biddle does not disclose a licensing module whose execution is required prior to the distribution of the program module. Moreover, Biddle discloses neither (a) a program module that comprises executable software code, nor (b) storing a licensing module and a program module at different locations. Finally, with respect to claim 1, neither Biddle nor Hayes teaches the recited licensing module, and the Examiner has provided no apparent reason to combine one with the other.

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By   
Darien K. Wallace

Date of Deposit: August 4, 2008

Respectfully submitted,



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## IX. CLAIMS APPENDIX

1. (previously presented): An improved system for electronic data sales and distribution over wide area computer networks, said networks comprising a network conduit, at least one e-commerce server computer in communication with said network conduit, and at least one customer terminal computer in communication with said network conduit, each said computer comprising input device, display device, processing device, storage device and device for communicating with said network conduit, the system comprising:

an e-commerce site for presenting e-commerce functions to each said customer in communication with said e-commerce server computer via said network conduit;

a licensing module for giving each said customer terminal computer permission to download a program module to said customer terminal computer, said licensing module consisting of an executable software application being executed on each said customer terminal computer engaged in the improved system; and

a program download site for providing a program module for downloading to each said customer terminal computer responsive to a user request.

2. (previously presented): The system of Claim 1, wherein said e-commerce site comprises an executable software application being executed by said processing device of said ecommerce server computer and said program download site

comprises an executable software application being executed by a processing device in a program module server computer, said e-commerce server computer and said program module server computer being distinct from one another.

3. (previously presented): The system of Claim 2, wherein said e-commerce site further provides each said customer terminal computer with the ability to download said licensing module.

4. (original): The system of Claim 3, further comprising a supplier terminal computer in local area network communication with said program module server computer.

5. (previously presented): The system of Claim 3, wherein said program module is responsive to output from said licensing module, said program module and said licensing module each comprising executable software applications, wherein output from said licensing module is input to said program module when said program module and said licensing module are executed on the processing device of a single computer.

Claims 6 – 9 (canceled)

10. (previously presented) An improved system for software distribution over wide area computer networks, said networks comprising a network conduit, at

least one e-commerce server computer in communication with said network conduit, at least one customer terminal computer in communication with said network conduit, and at least one supplier server computer in communication with said network conduit, each said computer comprising at least one programmable computer comprising input device, display device, processing device, storage device and device for communicating with said network conduit, the system comprising:

an e-commerce site for distributing licensing modules to each said customer terminal computer via said network conduit; and

a program download site for distributing program modules to each said customer terminal computer via said network conduit

wherein said licensing modules and said program modules each comprise executable software applications for execution on programmable computers, one said licensing module cooperating with one said program module to function as a whole software application, said distribution of one said program module is responsive to the prior execution of one said licensing module on one said customer terminal computer.

11. (previously presented) The system of Claim 10, wherein said e-commerce site comprises an executable software application being executed on said e-commerce server computer.

12. (previously presented) The system of Claim 11, wherein said program download site comprises an executable software application being executed on said supplier server computer.

Claims 13 – 14 (canceled)

15. (previously presented) The system of Claim 10, wherein each said distribution of one said program module commences automatically in response to user input to said executed licensing module through said input device of said customer terminal computer.

16. (original) The system of Claim 15, wherein the execution of said program module defines a licensed condition and an unlicensed condition, said program module executes in said licensed or unlicensed condition responsive to output from said licensing module.

17. (original) The system of Claim 16, wherein execution of said program module in said unlicensed condition is permitted for a pre-defined period of time, whereby expiration of said pre-defined period of time will prevent said program module from further execution.

18. (previously presented) A method of distributing a software product, via distributors, to users, over a computer network comprising:

configuring the software product as a program module and a licensing module wherein both the program module and the licensing module are required in order to operate the software product, the licensing module comprising a portion of the software product that is customized for a distributor or a group of distributors and the program module consisting of a portion of the software product that is not customized for the distributor or group of distributors, the program module comprising executable software code,

storing the configured licensing module at a first software distribution point so that it may be downloaded by a user, and

storing the program module at a location other than the first software distribution point.

19. (previously presented) The method of claim 18 wherein, subsequent to downloading the licensing module and if certain predetermined conditions are met, the user may download the program module.

20. (previously presented) The method of claim 19 wherein one of the predetermined conditions is payment or promise of payment for the software product.

21. (previously presented) The method of claim 19 wherein one of the predetermined conditions is that the user register the software product.

22. (previously presented) The method of claim 18 further comprising updating the software product by modifying the program module but not modifying the licensing module.

23. (previously presented) The method of claim 19 wherein subsequent to downloading the licensing module the user may run the licensing module.

24. (previously presented) The method of claim 23 wherein running the licensing module automatically downloads the program module.

25. (previously presented) The method of claim 23 wherein the user may run the licensing module only within a predetermined time period after downloading the licensing module.

Claim 26 (canceled)

## X. EVIDENCE APPENDIX

No evidence has been submitted pursuant to 37 C.F.R. §§ 1.130, 1.131 or 1.132. No affidavit or declaration has been submitted under § 1.130 to disqualify a commonly owned patent or a published application as prior art. No affidavit or declaration of a prior invention has been submitted under § 1.131. No affidavit or declaration traversing rejections or objections has been submitted under § 1.132. No such evidence was entered by the Examiner and relied upon by Appellants in this appeal.

In the rejections that are the grounds to be reviewed in this appeal, the Examiner has not relied upon any non-patent documents.

## XI. RELATED PROCEEDINGS APPENDIX

No decision has yet been rendered by a court or the Board in this or any related proceeding. Without ruling on the merits, the Board remanded the original appeal in this application to the Examiner on November 29, 2007.